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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-882]

Large Diameter Welded Pipe from India: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty order on large diameter welded carbon and alloy steel line pipe from India.

DATES: Applicable [Insert Date of Publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Robert Palmer at (202) 482-9068 or Suzanne Lam at (202) 482-0783, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On November 14, 2018, Commerce published its affirmative final determination in the countervailing duty investigation of large diameter welded pipe from India.<sup>1</sup> The scope of the investigation in Commerce's final determination covered large diameter welded carbon and alloy steel line pipe (welded line pipe), large diameter welded carbon and alloy steel structural pipe (welded structural pipe), and stainless steel large diameter welded pipe (stainless steel pipe) from

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<sup>1</sup> See *Large Diameter Welded Pipe from India: Final Affirmative Countervailing Duty Determination*, 83 FR 56819 (November 14, 2018).

India.<sup>2</sup> As discussed below, the ITC subsequently found three domestic like products covered by the scope of the investigation (welded line pipe, welded structural pipe, and stainless steel pipe) and accordingly made a separate injury determination with respect to each domestic like product. On January 30, 2019, the ITC notified Commerce of its final determination, pursuant to 705(d) of the Tariff Act of 1930, as amended (the Act), that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of welded line pipe from India.<sup>3</sup> Additionally, the ITC made a negligibility finding with respect to welded structural pipe and a negative determination of material injury or threat of material injury with respect to stainless steel pipe.<sup>4</sup> On February 13, 2019, Commerce released draft revised scope language for comment by parties. No party objected to the revised scope language in this proceeding.

#### Scope of the Order

The product covered by this order is welded line pipe from India. For a complete description of the scope of this order, see the Appendix to this notice.

#### Countervailing Duty Order

On January 30, 2019, in accordance with section 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that imports of welded line pipe are materially injuring a U.S. industry.<sup>5</sup> As a result, and in accordance with section 705(c)(2) and 706 of the Act, we are publishing this countervailing duty

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<sup>2</sup> *Id.*

<sup>3</sup> See ITC Notification Letter to the Deputy Assistant Secretary for Enforcement and Compliance, referencing ITC Investigation Nos. 701-TA-593-594, 731-TA-1402, and 731-TA-1404 (January 30, 2019) (ITC Notification). See also *Large Diameter Welded Pipe from China and India; Determinations*, 84 FR 1785 (February 5, 2019) (ITC Final Determination) and *Large Diameter Welded Pipe from China and India*, Investigation Nos. 701-TA-593-594, 731-TA-1402 and 731-TA-1404 (Final), Publication 4859, January 2019 (Final ITC Report).

<sup>4</sup> *Id.*

<sup>5</sup> See ITC Notification; *ITC Final Determination*, 84 FR 1785.

order. As noted above, in its determination, the ITC found three domestic like products covered by the scope of the investigation: welded line pipe, welded structural pipe, and stainless steel pipe. The ITC made a negative determination with respect to stainless steel pipe from India, and found that imports of welded structural pipe from India are negligible. The ITC made an affirmative determination with respect to welded line pipe from India. Because the ITC made distinct and different injury determinations for separate domestic like products, Commerce will instruct U.S. Customs and Border Protection (CBP) to assess countervailing duties on entries of welded line pipe (subject merchandise) from India, and not on entries of welded structural pipe and stainless steel pipe (excluded merchandise) from India.

#### *Welded Line Pipe*

The Final ITC Report describes welded line pipe as a tubular product produced from carbon and alloy steel, produced to American Petroleum Institute (API) 5L specifications, and designed for conveying liquids and gases.<sup>6</sup> Because the ITC determined that subsidized imports of welded line pipe from India are materially injuring a U.S. industry,<sup>7</sup> all unliquidated entries of subject merchandise from India, entered or withdrawn from warehouse, are subject to the assessment of countervailing duties, as described below.

As a result of the *ITC Final Determination*, in accordance with section 706(a) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of welded line pipe from India. Countervailing duties will be assessed on unliquidated entries of welded line pipe from India entered, or withdrawn from warehouse, for consumption on or after June 29, 2018, the date of publication of the *Preliminary*

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<sup>6</sup> See Final ITC Report at 11-12.

<sup>7</sup> *Id.* at 1 and 3.

*Determination*,<sup>8</sup> but will not be assessed on entries occurring after the expiration of the provisional measures period (October 27, 2018), in accordance with section 703(d) of the Act, until the date of publication of the *ITC Final Determination* in the *Federal Register*.

#### *Welded Structural Pipe*

The Final ITC Report describes welded structural pipe as a tubular product produced from carbon and alloy steel, produced to American Society of Testing and Materials (ASTM) specifications, and designed for support in construction projects and piling.<sup>9</sup> Because the ITC found that subsidized imports of welded structural pipe from India are negligible, Commerce will direct CBP to terminate the suspension of liquidation for entries of welded structural pipe from India entered, or withdrawn from warehouse, and to refund all cash deposit with respect to these entries pursuant to section 705(c)(2) of the Act.

#### *Stainless Steel Pipe*

The Final ITC Report describes stainless steel pipe as being produced from stainless steel for its high-chrome chemistry and corrosion-resistant properties.<sup>10</sup> Because the ITC made a negative determination of material injury or threat of material injury by reason of subsidized imports of stainless steel pipe from India,<sup>11</sup> Commerce will direct CBP to terminate the suspension of liquidation for entries of stainless steel pipe from India entered, or withdrawn from warehouse, and to refund all cash deposits with respect to these entries pursuant to section 705(c)(2) of the Act.

#### Suspension of Liquidation

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<sup>8</sup> See *Large Diameter Welded Pipe From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 83 FR 30690 (June 29, 2018) (*Preliminary Determination*).

<sup>9</sup> *Id.* at 11-12.

<sup>10</sup> *Id.* at 10.

<sup>11</sup> *Id.* at 1 and 3.

In accordance with section 706 of the Act, Commerce will direct CBP to reinstitute the suspension of liquidation of subject merchandise (*i.e.*, welded line pipe) from India, effective the date of publication of the *ITC Final Determination* in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. We intend to instruct CBP to require, at the same time as importers would normally deposit estimated import duties on this merchandise, cash deposits for each entry of subject merchandise equal to the rates noted below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all other producers or exporters not specifically listed.

<b>COMPANY</b>	<b>Subsidy Rate</b>
Bhushan Steel	541.15 percent
Welspun Trading Limited	541.15 percent
All-Others	541.15 percent

#### Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to welded line pipe from India pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is published in accordance with sections 705(c) and 706(a) of the Act and 19 CFR 351.211(b).

Dated: February 28, 2019.

Gary Taverman,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.

## **Appendix**

### **Scope of the Order**

The merchandise covered by this order is welded carbon and alloy steel line pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded line pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases.

Large diameter welded line pipe is used to transport oil, gas, or natural gas liquids and is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded line pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All line pipe meeting the physical description set forth above, including any dual- or multiple-certified/stenciled pipe with an API (or comparable) welded line pipe certification/stencil, is covered by the scope of this order.

Subject merchandise also includes large diameter welded line pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope large diameter welded line pipe.

Excluded from the scope of this order is structural pipe, which is produced only to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, or comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards. Also excluded is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

The large diameter welded line pipe that is subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000. Merchandise currently classifiable under subheadings 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000 and that otherwise meets the above scope language is also covered. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

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